GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:944
ANSWERED ON:28.11.2006
COTTAGE INDUSTRY IN GUJARAT
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Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether the cottage industries of Gujarat are in miserable condition;

(b): if so, the details thereof;

(c): the steps taken by the Government to set up cottage industries in the backward areas of Gujarat; and

(d): the extent to which success achieved through these steps?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): Cottage industries in the country, including those in Gujarat, may face financial difficulties due to several reasons such as, weak financial base and managerial skills of entrepreneurs, inadequate credit availability, delayed payment from buyers, etc.

(c): For setting up Cottage industries in the rural areas of the country, the Government (in the Ministry of Agro and Rural Industries) provides assistance to prospective entrepreneurs under its credit-linked subsidy scheme, namely, the Rural Employment Generation Programme (REGP), implemented by the Government through the Khadi and Village Industries Commission (KVIC) in rural areas and small towns with population upto 20,000 throughout the country, including in backward areas of Gujarat. 1990 units have been set up by eligible beneficiaries under the REGP (up to 31 March 2006) in the State of Gujarat. (d): Details of the progress made under the REGP in terms of units set up and additional employment opportunities generated in the State of Gujarat during the past three years are given in the table below:

Sl.No.	Year	Number of units	Employment (number of persons)
1.	2003-04	290	2236
2.	2004-05	376	8581
3.	2005-06	516	17947